



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 28, 2008

S. 24

Perchlorate Monitoring and Right-to-Know Act of 2008

*As ordered reported by the Senate Committee on Environment and Public Works
on July 31, 2008*

S. 24 would require the Environmental Protection Agency (EPA), no later than 90 days after the bill's enactment, to issue a health advisory for perchlorate in drinking water that fully protects susceptible populations, including pregnant women, infants, and children, taking into consideration body weight, exposure patterns, and all routes of exposure. (Perchlorate is a chemical used in rocket fuel.) EPA also would be required to establish a final regulation requiring drinking water to be monitored for the presence of perchlorate. Finally, this legislation would require that consumer confidence reports currently issued by public water suppliers include information on the presence of perchlorate in their drinking water and its potential health effects.

Based on information from EPA, CBO estimates that implementing S. 24 would cost about \$3 million over the 2009-2011 period, subject to the availability of appropriated funds. That funding would be used to support five additional personnel as well as contractor costs needed to meet the requirements of this legislation.

Enacting the legislation would not affect direct spending or revenues.

By requiring public water systems serving more than 10,000 individuals and a representative sample of smaller public water systems to monitor for perchlorate, S. 24 would impose intergovernmental and private-sector mandates, as defined in the Unfunded Mandates Reform Act (UMRA). The bill also would require those systems to disclose in their consumer confidence reports the presence of perchlorate in drinking water and its health risks to vulnerable populations. Based on information from EPA, CBO estimates that the total cost of the mandates would be about \$1 million annually, which would fall well below the annual thresholds established in UMRA for intergovernmental and private-sector mandates (\$68 million and \$136 million in 2008, respectively, adjusted annually for inflation). In addition, the bill would authorize EPA to provide funding to small systems to cover those costs.

The CBO staff contacts for this estimate are Susanne S. Mehlman (for federal costs), Burke Doherty (for the state and local impact), and Amy Petz (for the private-sector impact). This estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.